

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 542 - HB 1244**

February 24, 2011

**SUMMARY OF BILL:** Exempts certain non-profit water companies from paying privilege tax.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$9,000**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 67-4-405, a gross receipts tax of three percent is levied on intrastate sales by gas, water, and electric companies.
- The Department of Revenue (DOR) estimates that only one or two companies would be affected by this bill.
- Based on the information provided by DOR, total gross receipts for two non-profit water companies are estimated to be approximately \$300,000 per year. As a result, the recurring decrease to state revenue will be \$9,000 (\$300,000 x 3.0%).
- Pursuant to Tenn. Code Ann. § 67-4-40, revenue generated from the gross receipts tax is for state purposes only and is deposited to the General Fund.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/rnc